

1 FAM 220

BUREAU OF FINANCE AND MANAGEMENT POLICY (FMP)

1 FAM 221 CHIEF FINANCIAL OFFICER

1 FAM 221.1 Policy

(TL:ORG-62; 1-31-95)

The Department of State through the Chief Financial Officer (CFO):

- (1) Establishes effective financial management policies and management controls;
- (2) Ensures adequate systems to produce useful, reliable, and timely financial and related programmatic information;
- (3) Develops useful financial analysis and performance reports;
- (4) Integrates budget execution and accounting functions; and
- (5) Ensures well-qualified and well-trained financial management personnel.

1 FAM 221.2 Responsibilities

(TL:ORG-62; 1-31-95)

a. The Chief Financial Officer (CFO), equivalent in rank to an Assistant Secretary, serves as the Department's Principal Budget Officer and Management Control Officer and assists in the management of the Department and its posts under the overall direction of the Under Secretary for Management.

b. Has overall substantive responsibility for the following Department regulatory publications:

- (1) *Foreign Affairs Manual* Volume 1 (*Organization and Functions*) subchapter 1 Fam 220 — Bureau of Finance and Management Policy (FMP);
- (2) *Foreign Affairs Manual* Volume 2 (*General*) subchapter 2 FAM 020 — Systems of Management Controls; and
- (3) *Foreign Affairs Manual* Volume 4 (Financial Affairs), and its related Foreign Affairs Handbooks in their entirety:

- (a) *Financial Management Handbook* (4 FAH-1);
- (b) *Foreign Affairs Administrative Services (FAAS) Handbook* (4 FAH-2); and
- (c) *Financial Management Procedures Handbook* (4 FAH-3).

1 FAM 221.3 Organization

(TL:ORG-62; 1-31-95)

An organization chart of FMP is found as 1 FAM 221 Exhibit 221.3 .

1 FAM 221.4 Definitions

(TL:ORG-62; 1-31-95)

a. Accounting Functions. The methods and procedures used by the Department to record, classify, and report information on its financial position and operations. Encompassed are the various operations involved in authorizing, recording, classifying, and reporting financial data related to financing sources and gains, expenses, losses and transfers out, costs, assets, liabilities, and net position. Included are the manual and automated procedures and processes from the point a transaction is authorized (initiated) to issuance of financial statements and management information reports containing the data in detail or in summary form.

b. Authority to Update. The authority of a new payrolling center to acquire an employee's records from the old payrolling center when the employee transfers from one center to another under the Consolidated American Payroll Processing System (CAPPS).

c. Budget Execution. All funds control activities designed to ensure that resources are used only for authorized purposes and in the most efficient manner and that obligations and expenditures do not exceed amounts authorized or allocated.

d. Budget and Fiscal Offices. Those offices at posts that manage allotment accounting and the processing of payment vouchers.

e. Buying Power Maintenance Account. An appropriation which provides standby budget authority to maintain approved levels of activities during periods of adverse economic conditions, particularly those periods exhibiting weakened U.S. dollar exchange rates in relation to other major world currencies.

f. CFO Annual Report. An annual report submitted by the Chief Financial Officer (CFO) to the Secretary and the Director of OMB by August 31 of each year as required by the CFO Act (31 U.S.C. 902(a)(6)). It includes:

- (1) The status of financial management in the Department;
- (2) Annual financial statements and related audit reports; and,
- (3) A summary of reports submitted under the Federal Managers' Financial Integrity Act (FMFIA).

g. Core Financial System Requirements. A document which sets forth minimum standard requirements for Federal financial systems. These requirements are incorporated into the General Accounting Office's (GAO) Policy and Procedures Manual for Guidance of Federal Agencies.

h. Disaster Recovery Plan. The detailed plan for restoring operations in the event a Financial Service Center (FSC) is rendered inoperable because of fire, natural disaster, or acts of war or other violence.

i. Financial Analysis and Performance Reports. The processes whereby financial data are transformed into meaningful information for both Departmental and external users responsible for making resource allocation decisions, assessing management's performance and stewardship, managing activities, or determining legal compliance.

j. Financial Management Matters. Those activities that relate to the fiscal affairs of the Department and the translation of actions, both past and proposed, into meaningful and relevant information for use in the management process. They cover a broad spectrum of activities including planning, programming, budgeting, accounting, cash and credit management, reporting, and audit and review. They also directly support management controls, total quality management, training, personnel management, grant management, procurement, and property management.

k. Financial Management Centers. Posts abroad that have an Overseas Financial Management System (OFMS) program installed, doing accounting for single or multiple posts.

l. Financial Management Personnel. Employees of the Department who directly or indirectly perform functions described under financial management matters above. These personnel may or may not be within the chain of command of the Chief Financial Officer but will, in all cases, be subject to his or her general oversight.

m. Help Desk. A specific group in the Bureau of FMP set up to address system and accounting problems in a timely manner.

n. Management Controls. The steps taken to provide reasonable assurance that obligations and costs are in compliance with applicable law; funds, property, and other assets are safeguarded; and revenues and expenditures applicable to Departmental operations are properly recorded and accounted for.

o. On-line Payment and Collection System (OPAC). A system that allows agencies to issue payments and provide collecting capabilities by going through the Treasury Department.

p. Simplified Intragovernmental Billing and Collection System (SIBAC). A system that allows agencies that provide goods and services to other agencies to simultaneously bill and receive payment by going through the Treasury Department.

q. Standard General Ledger. A uniform chart of accounts and supporting transactions to be used to standardize Federal agency accounting and to support the preparation of standard external reports.

r. Warrant. An official document issued by the Secretary of the Treasury which reflects an amount of money authorized and appropriated by public law to be withdrawn from the U.S. Treasury. Warranted amounts are established in Treasury Department accounts and subsequent fiscal activity reported by administering departments and agencies is reflected against those amounts for consolidated federal accounting.

s. Worldwide. In describing a program, this term includes any and all program activities carried out anywhere in the world, including the United States, its territories, and at Washington, D.C. headquarters.

1 FAM 221.5 Authorities

(TL:ORG-62; 1-31-95)

a. Chief Financial Officers (CFO) Act of 1990 (Pub. L. 101-576, dated November 15, 1990; 31 U.S.C. 901 et seq.). The Act requires the designation of a Chief Financial Officer for the Department of State to be appointed by the President, by and with advice and consent of the Senate, for the express purpose of bringing more effective general and financial management practices to the Department. The Act also provides specific statutory authority and functions of the Chief Financial Officer.

b. Federal Credit Reform Act of 1990 (Pub. L. 101-508, Title V, dated November 5, 1990). The Act seeks to measure more accurately the costs of Federal credit programs and to place the cost of credit programs on a budget basis equivalent to other Federal spending.

c. Federal Managers' Financial Integrity Act of 1982, as amended (FMFIA) (31 U.S.C. 3512). The Act requires ongoing evaluations of the management control and accounting systems that protect federal programs against fraud, waste, abuse and mismanagement. It further requires the Secretary to submit a report annually to the President, and the Congress on the conditions of these systems and actions to correct weaknesses identified.

d. Foreign Service Act of 1980, as amended (Pub. L. 96-465; 22 U.S.C. 3901 et seq.). The Act provides for the Foreign Service personnel system and the administration of the Foreign Service Retirement and Disability System.

e. Inspector General Act of 1978, as amended (5 U.S.C. App. 3). Section 5 of the Act requires the Secretary to transmit to Congress semiannual reports of the activities of the Office of the Inspector General (OIG), and the Secretary's comments on the report. The report discusses major problems in the Department, the most significant findings, and statistical data.

f. OMB Circular A-123 (Revised, dated August 4, 1986). This Office of Management and Budget (OMB) Circular prescribes policies and procedures to be followed by executive departments and agencies in establishing, maintaining, evaluating, improving, and reporting on management controls in their program and administrative activities.

g. OMB Circular A-127 (Revised, dated July 23, 1993). This circular prescribes policies and procedures to be followed by executive departments and agencies in developing, operating, evaluating, and reporting on financial management systems.

h. OMB Circular A-50 (Revised, dated September 29, 1982). This circular provides the policies and procedures for use by executive agencies when considering reports issued by the Inspector General (IG), other executive branch audit organizations, the General Accounting Office (GAO), and non-Federal auditors where followup is necessary.

i. Prompt Payment Act of 1982 (31 U.S.C. 3901 et seq.). The Act requires executive departments and agencies to make payments to private parties on time, to pay interest penalties when payments are late, and to take discounts only when payments are made on or before the discount date.

j. Standards for Internal Control in the Federal Government, dated June 1983. This document contains the General Accounting Office management control standards to be followed by executive agencies in establishing and maintaining systems of internal control as required by the Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512 (see paragraph c, above).

k. The Federal Advisory Committee Act (Pub. L. 92-463, 5 U.S.C. App. 2). The CFO by delegation of authority has responsibility for management of the Department's advisory committees and authority to approve closing of

meetings of advisory committees and holding of such meetings without the normally prescribed advance public notice.

l. The Program Fraud Civil Remedies Act (31 U.S.C. 3801-3812). The CFO by regulation is the Department officer who decides whether to pursue a program fraud civil complaint against persons who have defrauded the Department, files the complaint with the administrative law judge hearing the case, and has authority to compromise or settle a case prior to the date the administrative law judge issues an initial decision.

m. The State Department Basic Authorities Act of 1956, as amended (22 U.S.C. 2651a and 2669 et seq.). This Act provides authority to spend appropriated funds for enumerated purposes such as procurement of supplies, hire of experts and consultants, payment of claims arising abroad, payment of international obligations, employment of personal services contractors abroad, and unforeseen contingencies arising in the diplomatic and consular service.

1 FAM 222 CHIEF FINANCIAL OFFICER PROGRAM RESPONSIBILITIES

(TL:ORG-62; 1-31-95)

a. Reports directly to the Secretary regarding financial management matters.

b. Oversees all financial management activities relating to the programs and operations of the Department.

c. Develops and maintains an integrated accounting and financial management system, including financial reporting and management controls.

d. Makes recommendations to the Secretary regarding selection of the Deputy Chief Financial Officer.

e. Directs, manages, and provides policy guidance and oversight of Departmental financial management personnel, activities, and operations including:

(1) Preparation and annual revision of the Department's five-year financial management plans;

(2) Development of Departmental financial management budgets;

(3) Overall direction and guidance of recruitment, selection and training of personnel to carry out agency financial management;

(4) Approval and management of agency financial management systems design or enhancement projects; and

(5) Overall directions and guidance of implementation of agency asset management systems.

f. Prepares and transmits by August 31 of each year an annual report to the Secretary and the Director of the Office of Management and Budget in accordance with 31 U.S.C. 902 (a)(6).

g. Monitors the financial execution of the budget of the Department in relation to actual expenditures, and prepares and submits to the Secretary timely performance reports.

h. Reviews, on a biennial basis, the fees, royalties, rents, and other charges imposed by the Department for services and things of value it provides, and makes recommendations on revising those charges to reflect costs incurred by it in providing those services and things of value.

i. Establishes financial management policies for the Department and its component parts.

j. Ensures compliance throughout the Department, and its component parts, with applicable accounting standards and principles and financial information and systems functional standards (including the Standard General Ledger and the Core Financial Systems Requirements—see 4 FAM).

k. Establishes, reviews and enforces throughout the Department management control policies, standards and compliance guidelines involving financial management.

l. Establishes, in coordination with program managers, department-wide management control processes.

m. Advises the Secretary on the annual FMFIA Report, prepared by the CFO in accordance with 1 FAM 221.4 paragraph c.

n. Participates in monitoring and requiring corrective actions on material weaknesses reported in the FMFIA Report.

o. Ensures adequate controls over cash management, credit management, and debt collection operations and over real property, equipment and inventories.

p. Ensures timely and accurate information on contract disbursements in relation to projected costs and actual commitments and test results, including cost estimates for major procurements.

q. Manages directly and/or monitors, evaluates, and approves, the design, budget development, implementation, operation, and enhancement of Departmental accounting, financial, and asset management systems.

r. Clears the design of other information systems that provide financial and/or program performance data used in financial statements to ensure CFO needs are met.

s. Ensures that program information systems provide financial and programmatic data on a reliable, consistent and timely basis to Departmental financial management systems.

t. Evaluates the installation and operation of accounting, financial and asset management systems and other information systems that provide financial and/or program performance data.

u. Mandates department-wide data and reporting format requirements for financial management affairs.

v. Reviews and approves financial reports and statements prepared by agency components for transmittal to the Secretary, OMB, the President, the Congress, or external groups.

w. Prepares consolidated and/or combined agency financial statements, ensures that data are auditable and works with OIG to improve the "required Departmental financial" statements' independent review and auditability.

x. Develops financial and programmatic performance indicators for inclusion in financial systems and financial reports and statements.

y. Advises and provides direction to program managers on financial management matters.

z. Approves planning, budget formulation, and legislation affecting financial management (Full Time Equivalent (FTE), salaries and expenses, systems, other equipment).

aa. Reviews all major legislative and other programmatic proposals (major procurements and changes in credit programs) in order to provide advice to the Secretary on Federal cost and program benefit estimates.

bb. Serves with the Assistant Secretary for Administration as co-chair of the Inter-Agency Council on Administrative Support. Represents the Department on the Government-wide CFO Council. Serves as a member of the Department's Executive Resources Board.

cc. Makes determinations to close advisory committee meetings to the public and to approve the giving of less than 15 days public notice of advisory committee meetings.

dd. Acts as reviewing official for proposals to prosecute false claims or statements under the Program Fraud Civil Remedies Act (31 U.S.C. 3801-3812).

1 FAM 222.1 Principal Budget Officer

(TL:ORG-62; 1-31-95)

a. The CFO also serves as the Principal Budget Officer for the Department of State, which capacity also carries its own set of responsibilities.

b. Projects, acquires and allocates the appropriated and reimbursed resources necessary for the Department to conduct diplomatic and consular relations and achieve U.S. Foreign Policy objectives.

c. Directs the planning, development and conduct of the Department's budget process, the preparation of budget requests for consideration by OMB and Congress, and issuance of the financial allotments which provide actual resources to the various bureaus and offices of the Department.

d. Makes resource allocation determinations and monitors resource utilization to assure consistency with Presidential priorities and legislative mandates.

e. Directs the development of strategic planning and policy formulation processes linked to resource acquisition and management.

f. Proposes and reviews legislative strategies for acquiring and maintaining an appropriate level of resources for the Department.

1 FAM 222.2 Management Control Officer

(TL:ORG-62; 1-31-95)

a. The CFO also serves as the Management Control Officer for the Department of State, which capacity carries its own set of responsibilities.

b. Directs implementation of and the Secretary's compliance with the Federal Managers' Financial Integrity Act and OMB Circulars A-123 and A-127.

c. Directs the development of Departmental policies, plans, guidelines and training activities for improvement and maintenance of management control systems.

d. Chairs the Department's Management Control Steering Committee.

e. Serves as a principal or supporting witness at OMB and Congressional hearings on Department budget and management matters.

f. Directs the Department's General Accounting Office (GAO) liaison activities.

g. Develops and implements Department organizational and management improvement goals, policies, and plans.

h. Manages the Department's advisory committee program. Ensures that the Department is in compliance with the requirements of the Federal Advisory Committee Act, related implementing executive orders, and OMB circulars.

1 FAM 223 OFFICE OF THE EXECUTIVE DIRECTOR (FMP/EX)

(TL:ORG-62; 1-31-95)

a. Provides executive direction and support to the Bureau for all administrative, management, planning and resource allocation activities, including financial and personnel resources, and general services.

b. On behalf of the Chief Financial Officer, exercises (with authority to redelegate) all appropriate Bureau administrative authorities except those required by law, regulation, or otherwise, to be performed by the Chief Financial Officer or higher authority, or by others specifically designated in writing.

c. Executes personnel activities under the CFO Act.

1 FAM 223.1 Personnel (FMP/EX/PER)

1 FAM 223.1-1 Civil Service Responsibilities

(TL:ORG-62; 1-31-95)

Provides personnel management services for the Bureau including coordinating and processing documents pertaining to position classification, recruitment and appointment, assignments, reassignments, and transfers, equal employment opportunity, career development counseling, training, employee services, awards, reporting requirements, and special projects. Provides advice and recommendations to all levels of Bureau management relative to personnel administration requirements and issues.

1 FAM 223.1-2 Foreign Service Responsibilities

(TL:ORG-62; 1-31-95)

a. Provides administrative support to the Financial Service Centers (FSCs) in Bangkok, Mexico City, Paris, and Charleston, South Carolina. The Office is responsible for maintaining information on, and for the continuing evaluation of, the effectiveness of the Centers in connection with their administrative duties. The Centers are under the functional responsibility of the Director, International Financial Services (FMP/F/IFS) (See 1 FAM 225.3).

b. The Office provides administrative management support for the Bureau's Foreign Service employees and assists in their career development efforts.

1 FAM 223.2 Budget (FMP/EX/BUD)

(TL:ORG-62; 1-31-95)

a. Formulates, presents, and then executes the budget for the Bureau of Finance and Management Policy inclusive of the coordination of all resource planning functions, allocations, and usage for all sub-organizations within the Bureau.

b. Performs Bureau liaison and advisory activities in connection with budget functions and participates in quarterly budget reviews with the Chief Financial Officer and Directors of the Directorates.

1 FAM 223.3 Administrative Services (FMP/EX/ADM)

(TL:ORG-62; 1-31-95)

Provides administrative and general services support for the Bureau. This includes travel/transportation services (travel arrangements and processing of voucher submittals), procurement/contract administration support, acquisition processes, property management and control, file/records management and archives, as well as office services analysis and support (space management, telephone services, technical office equipment and other general services activities).

1 FAM 224 Deputy Assistant Secretary for Budget and Planning (FMP/BP)

(TL:ORG-67; 2-20-97)

a. Plans, develops, presents, justifies, and defends the legislative proposals of the Department of State relating to all Department appropriations, trust funds, and other accounts.

b. Develops, plans, and implements strategies for the most effective and persuasive presentation of the Department's budget proposals for consideration by OMB, the President, and the Congress.

c. Allocates Department resources consistent with Department policies and objectives, and applicable laws and regulations.

d. Develops and negotiates reimbursement agreements with U.S. Government agencies which receive support from the Department of State.

e. Institutes and directs such programs as well as ensures efficient and effective use of Department resources and evaluates their use in accomplishing Department program objectives.

f. Analyzes trends of funds expenditures and budget requirements in relation to overall Department mission and functions of specific bureaus and offices.

g. *Oversees the Systems and Legislative Staff (FMP/BP/SL).*

1 FAM 224.1 Systems and Legislative Staff (FMP/BP/SL)

(TL:ORG-67; 2-20-97)

a. Plans, develops, and maintains a worldwide program for budget formulation and presentation. Plans the Department's budget process, including the flow of resource information to funds managers, budget analysts, senior managers of the Department, OMB, the Congress, and other U.S. Government agencies. Develops and issues instructions for budget formulation and presentation. Prepares the Department's budget requests for consideration by OMB and the Congress.

b. Develops plans regarding long-range resource requirements of the Department.

c. Collaborates with other U.S. Government agencies and other offices of the Department regarding budget planning, development and implementation, and the conduct of special resource management studies of the Department and other U.S. Government agencies.

d. Reviews and evaluates all legislative proposals concerning the Department in order to determine resource implications and recommend alternative courses of action to ensure efficient resource allocation and execution of program objectives. Provides relevant information and recommendations to Department principals before, during, and after Congressional meetings and hearings.

e. Coordinates, produces, and distributes the Budget-in-Brief, Congressional estimates, and detailed backup books for Department witnesses. *Is responsible for all technical schedules for the Department's section of the President's budget.*

f. Reviews Congressional testimony and daily records to keep abreast of developments and to inform senior managers on those items that significantly affect the Department.

g. *Maintains central financial data base of all historical formulation data.*

h. *Oversees the development and operation of BP automated systems.*

1 FAM 224.2 Office of Budget and Planning (FMP/BP/OBP)

(TL:ORG-67; 2-20-97)

- a. Directs the integration of budgetary and accounting information in the preparation and annual revision of the Department's budgetary plans.*
- b. Oversees the work and activities of the three divisions comprising the Office of Budget and Planning.*
- c. Seeks ways to improve overall financial management, to ensure maximization of Department resources as well as full recovery of the cost of administrative services provided to other U.S. Government agencies.*
- d. Serves as advisor to the Deputy Assistant Secretary for Budget and Planning and the Chief Financial Officer, key management officials of the Department of State, and other agency senior managers on a wide range of financial activities and issues.*

1 FAM 224.2-1 Operating Accounts Division (FMP/BP/OBP/OA)

(TL:ORG-67; 2-20-97)

- a. Develops and implements processes for strategic planning and policy development relating to resource management and acquisition for the Department's operating accounts.*
- b. With the objective of rational and optimal resource management and use, plans, develops, and implements special studies of issues or problems with resource implications, addressing short and long-term strategic factors, resource utilization, policy and operating requirements, and other factors. Develops solutions or approaches to these issues and problems.*
- c. Recommends presentation strategies for all operating account appropriations. Reviews bureau and program requirements in light of foreign policy objectives, economic factors, and Administration policies, and makes recommendations to the Chief Financial Officer on resource levels.*
- d. Provides guidance in developing, reviewing, and presenting to OMB and the Congress appropriation language concerning those resources requested for each serviced bureau and appropriation included in the Department's budget request.*
- e. Assists bureaus in the development of annual financial plans and apportionment requests. Analyzes financial plans submitted by bureaus and offices, develops a financial plan for the entire Department, monitors the*

execution of approved financial plans, and recommends the reprogramming of resource reallocations.

f. Conducts a midyear review on the status of all operating accounts, highlighting findings and making mid-course recommendations. Monitors financial and program performance against bureau objectives.

g. Maintains central financial data base of all historical execution data for operating accounts.

h. In conjunction with the Department of Treasury, prepares and justifies budget requests for the centrally managed Foreign Service Retirement and Disability Fund and the Foreign Service Pension System Fund.

i. Plans, develops, and implements cross-cutting analyses and budgeting systems for overall factors such as domestic and international Department salaries, prices, and base operations.

j. Develops and presents special analyses relating to resource use and projected needs requested by senior Department management, Congress, and the Congressional Budget Office.

k. Has overall responsibility to implement paragraphs a through j, above, for the following appropriations:

- (1) Diplomatic and Consular Programs*
- (2) Salaries and Expenses*
- (3) Capital Investment Fund*
- (4) Repatriation Loan Program*
- (5) Protection of Foreign Missions and Officials*
- (6) Foreign Service Retirement and Disability Fund*
- (7) American Institute in Taiwan*
- (8) Representation*

**1 FAM 224.2-2 International Accounts Division
(FMP/BP/OBP/IA)**

(TL:ORG-67; 2-20-97)

a. Develops and implements processes for strategic planning and policy development relating to resource management and acquisition for the Department's international accounts.

b. Plans, develops, and implements budgetary forecasting and analysis of international financial and monetary developments to be integrated into the budget analysis process of the Department and other foreign affairs agencies, and develops budget systems to determine the effect of anticipated and actual financial and monetary developments on resource requirements.

c. With the objective of rational and optimal resource management and use, plans, develops, and implements special studies of issues or problems with resource implications, addressing short and long-term strategic factors, resource utilization, policy and operating requirements, and other factors. Develops solutions or approaches to these issues and problems.

d. Recommends presentation strategies for all international account appropriations. Reviews bureau and program requirements in light of foreign policy objectives, economic factors, and Administration policies, and makes recommendations to the Chief Financial Officer on resource levels.

e. Provides guidance in developing, reviewing, and presenting to OMB and the Congress appropriation language concerning those resources requested for each serviced bureau and appropriation included in the Department's budget request.

f. Assists bureaus in the development of annual financial plans and apportionment requests. Analyzes financial plans submitted by bureaus and offices, monitors the execution of approved financial plans, and recommends the reprogramming of resource reallocations.

g. Conducts a midyear review on the status of all international accounts, highlighting findings and making mid-course recommendations. Monitors financial and program performance against bureau objectives.

h. Maintains central financial data base of all historical execution data for international accounts.

i. Develops and presents special analyses relating to resource use and projected needs requested by senior Department management, Congress, and the Congressional Budget Office.

j. Has overall responsibility to implement paragraphs a through i, above, for the following appropriations:

(1) Security and Maintenance of U.S. Missions

- (2) *International Boundary and Water Commission - S&E*
- (3) *International Boundary and Water Commission - Construction*
- (4) *International Boundary Commission*
- (5) *International Joint Commission*
- (6) *Border Environment Cooperation Commission*
- (7) *Contributions to International Organizations*
- (8) *Contributions to International Peacekeeping Activities*
- (9) *International Conferences and Contingencies*
- (10) *Emergencies in the Diplomatic and Consular Service*
- (11) *Office of the Inspector General*
- (12) *International Narcotics Control*
- (13) *Anti-Terrorism Assistance*
- (14) *International Fisheries Commissions*
- (15) *Non-Proliferation and Disarmament Fund*
- (16) *Migration and Refugee Assistance*
- (17) *Emergency Refugee and Migration Assistance*
- (18) *Buying Power Maintenance Account*
- (19) *The Asia Foundation*
- (20) *Foreign Service National Separation Liability Fund*

k. *Performs analysis of the effect of foreign currency fluctuations with particular emphasis on the effect on the Buying Power Maintenance Account.*

l. *Manages and controls the funds allotted for the Department's centralized American Salaries account. The Division prepares and justifies budget requests for full-time permanent U.S. citizen salaries for consideration by OMB and the Congress. Develops special analyses relating to the effect of alternative staff and benefit levels on U.S. citizen salary requirements.*

1 FAM 224.2-3 Funds Control and Reimbursements Division (FMP/BP/OBP/FCR)

(TL:ORG-67; 2-20-97)

a. Manages the central resource control function for the Department which includes:

(1) Obtaining warrants from the Treasury Department (including GAO and OMB clearance when required);

(2) Controlling transactions concerning movement of funds at the appropriation level to and from other U.S. Government agencies through the Department of the Treasury;

(3) Developing and obtaining apportionment of funds from OMB; and

(4) Maintaining the Department's centralized budget execution and funds control system through the establishment of appropriation controls and issuance of allotment documents to bureaus for all of the Department's appropriations.

b. Tracks and develops projected monthly obligation and outlay information for current year for OMB.

c. Manages the Foreign Affairs Administrative Support System (FAAS) and advises regarding general reimbursement policy for the International Cooperative Administrative Support System (ICASS) under which the Department provides administrative support services for other agencies at diplomatic missions abroad and at central domestic service centers.

d. Develops and issues instructions for the formulation and presentation of reimbursements requested from other U.S. Government agencies; reviews and evaluates the requests prepared by bureaus and offices for general acceptability and for consistency with current instructions; negotiates reimbursement agreements including leadership of the Interagency FAAS Working Group; and contributes to the development of the Department's resource management plans.

e. Generates reimbursable billing requests issued by the Domestic Finance Office, and mediates billing questions and conflicts between serviced agencies, service-providing bureaus, and the billing office to support accurate funds receipt and distribution.

1 FAM 225 DEPUTY ASSISTANT SECRETARY FOR FINANCIAL SERVICES (FMP/F) AND DEPUTY CHIEF FINANCIAL OFFICER

(TL:ORG-62; 1-31-95)

a. Serves as the Deputy Assistant Secretary for Financial Services and Deputy Chief Financial Officer.

b. Manages the Directorate for Financial Management Services, the Directorate for Domestic Financial Services, and the Directorate for International Financial Services.

c. Serves as the primary technical and policy advisor to the Chief Financial Officer on all matters relating to financial management and provides guidance and coordination to the Department's financial management program for all operations.

d. Advises the Chief Financial Officer, and provides technical guidance on all matters relating to financial management in the Department's worldwide activities, including, but not limited to, strategic planning for financial management systems, policy, procedures, and management controls.

e. Represents and acts as the Chief Financial Officer's principal officer in recommending, approving, advising, acting upon, and/or coordinating efforts aimed at resolving problems having financial management implications. Acts as the Chief Financial Officer's principal consulting resource for solving high priority financial management problems within the Department.

f. Provides technical and policy advice on all issues related to the Chief Financial Officers Act of 1990.

g. Provides technical oversight for the management of various financial systems contracts ensuring proper technical performance and management controls.

h. Identifies, evaluates, prioritizes, and acts on Department-wide financial management issues requiring both short-term and long-term planning and coordination. Develops, implements, and oversees short-term and strategic financial management plans for financial management systems, financial operations, financial policy, systems development and implementation, and management controls.

i. Develops the process, implements, oversees, and monitors Department-wide strategic financial management systems planning and coordination in a logical, integrated framework for financial management systems, including worldwide standardization and integration of the Department's financial management systems. Develops the process,

implements, oversees, and monitors detailed FMP financial management systems planning within a logical, integrated framework for the Department's worldwide financial management systems.

j. In consultation with the Chief Financial Officer, manages and oversees the development of policies for the Department's implementation and coordination of the Chief Financial Officers Act with key officials in bureaus, offices, and posts. Establishes the process for obtaining the involvement of Department organizations in identifying and coordinating the implementation requirements of the Act and in developing implementation plans. Directs the preparation of documentation, regulations, instructions, and procedures and provides guidance on the solution of problems and issues encountered in carrying out the CFO Act requirements.

1 FAM 225.1 Financial Management Services Directorate (FMP/F/FMS)

(TL:ORG-62; 1-31-95)

a. Assesses, develops, implements, maintains, and evaluates financial management functions to ensure integration and consistency with Department policy and objectives.

b. Serves as a technical, advisory, and consulting resource to Department management on system-wide or post-specific financial management problems and issues.

c. Responsible for the development and implementation of financial systems.

d. Maintains all Department financial systems.

e. Develops and maintains Department financial policy.

f. Directs the Management Control Program for the Department.

1 FAM 225.1-1 Office of Financial Systems Requirements and Implementation (FMP/F/FMS/FSRI)

(TL:ORG-62; 1-31-95)

a. In cooperation with other Department offices and U.S. Government agencies, the Office of Financial Systems Requirements and Implementation is responsible for the development and implementation of worldwide financial systems functional user requirements for the Department's bureaus, offices, embassies, posts, and serviced agencies with the goal of providing sound financial management.

b. Maintains the following worldwide financial systems mandate:

(1) Develops and defines functional systems requirements for the Department's financial management systems worldwide; advises and cooperates with the Financial Service Centers (FSCs) concerning functional user requirements at the FSCs.

(2) Develops, reviews, revises, and approves financial systems functional requirements with release definition.

(3) Presents financial and accounting requirements before the users for formal review and supports the development and maintenance of the conceptual design review.

(4) As the Department's central repository for user requirements, reviews and approves detailed design of systems user documentation, software test results and reports.

(5) Directs the execution of functional beta testing and is responsible for initial implementation of financial management system software.

(6) In concurrence with the Office of Financial and Management Information Systems, identifies and establishes program priorities for the development and delivery of financial management system software to users.

(7) In addition, this office maintains a close working relationship with the General Accounting Office (GAO), Office of Management and Budget (OMB), General Services Administration (GSA), Treasury, and other agencies, as well as Department of State offices and bureaus on all matters related to financial management systems and subsystems development.

1 FAM 225.1-2 Office of Financial and Management Information Systems (FMP/F/FMS/FMIS)

(TL:ORG-62; 1-31-95)

a. In cooperation with other Department offices and U.S. Government agencies, designs, develops, implements, enhances and maintains the Department's worldwide financial management systems to provide the tools required to effect sound financial management throughout bureaus, offices, embassies, posts, and serviced agencies.

b. In conjunction with other FMP offices, designs, develops, implements, enhances, and maintains bureau administrative systems.

c. Utilizes applicable U.S. Government and Department regulations as well as life cycle management techniques to ensure the development of quality, cost effective financial and management information systems throughout the systems life cycle including requirements analysis, conceptual design, detailed design, system construction, multiphased development testing, independent verification and validation testing, and system implementation.

d. Ensures the standardization and full integration of the Department's financial management processes and data worldwide.

e. Maintains a close working relationship with the General Accounting Office, Office of Management and Budget, General Services Administration, Treasury, and other agencies, as well as Department bureaus and offices on all matters related to financial management systems.

f. Acts as the senior financial management advisor on all information management related items including hardware, software, technologies, procedures, methodologies, etc. and participates on all the Office of Information Management and Systems Operations (A/IM/SO) strategic planning committees relating to the same.

g. Researches, analyzes, and implements state-of-the-art technologies in both the development and operation of worldwide financial and management information systems with a goal of enhancing quality and user-friendliness while increasing cost-effectiveness.

h. Establishes and maintains an effective worldwide data administration program for all financial management data.

i. Establishes and maintains an effective worldwide configuration management program for all financial and management information system activity including software, hardware, procedures and documentation.

j. Establishes and maintains effective system security and management controls for all financial and management information system activity worldwide for both production and development environments.

k. Provides effective bureau-wide computer operations, telecommunication, and personal computer support.

l. In conjunction with A/IM/SO, provides Department-wide production control for the Central Financial Management System (CFMS).

1 FAM 225.1-3 Office of Financial Policy and Management Controls (FMP/F/FMS/FPMC)

(TL:ORG-62; 1-31-95)

a. Maintains contents of Volume 4 of the *Foreign Affairs Manual* (4 FAM) which promulgates accounting and financial management policy, principles, and standards; and ensures their publication through the Directives Management Branch (A/IM/IS/OIS/RA/DIR).

b. Determines and maintains the Department's Account Structure and Classification Codes currently published in the Financial Management Handbook (4 FAH-1), which govern the reference files and tables of all financial management systems operating within the Department and the serviced agencies.

c. Develops, documents, publishes, interprets, and evaluates requests for exception to the policies, principles and standards governing financial management within the Department of State and serviced agencies, domestically and abroad.

d. Provides staff support to the CFO for discharge of the CFO's responsibilities under the Program Fraud Civil Remedies Act (31 U.S.C. 3801-3812).

e. Develops policies and provides guidance for the Departmental implementation and administration of the Chief Financial Officers Act. Monitors and reports on execution of implementation plans by management, and provides assistance and guidance in identification and solution of implementation problems and issues. Prepares portions of the auditable financial statements for the Department's trust and revolving funds and for commercial activities as required by the Chief Financial Officers Act. Prepares the CFO Annual Report and the Financial Management Status Report and five-year Financial Management Plan in accordance with guidelines provided by the Office of Management and Budget.

f. Develops the Department's management control policies, plans, and guidelines in accordance with the Federal Managers' Financial Integrity Act

(FMFIA) and consistent with related guidance published by the General Accounting Office (Standards for Internal Control in the Federal Government) and the Office of Management and Budget (OMB Circulars A-123 and A-127). Monitors and evaluates Department compliance with these guidelines. Schedules and provides staff support for all meetings of the Management Control Steering Committee, the production of the annual FMFIA report to the President and the Congress, the determination of material weaknesses and high risk areas in Department operations, and the administration of the Early Warning System to report new problems or concerns that demand the attention of higher level management.

g. Develops Department policies, plans and guidelines required to meet the Secretary's semiannual management reporting responsibilities required by the 1988 amendments to the Inspector General Act. Serves as the principal management representative to the Office of the Inspector General (OIG) involving management's position regarding recommendations resulting from audits, inspections, or investigations conducted by OIG and reported to the Congress in the OIG semiannual report.

h. Develops policies, procedures, and guidance for systems managers worldwide to use in developing, operating, evaluating, and reporting on financial management systems as prescribed by OMB Circular A-127. Reviews of financial systems will focus on whether the Department's financial systems comply with principles and standards developed by the Comptroller General and implemented through OMB guidelines. The results of these reviews will be reported to the President and Congress in the annual FMFIA report.

i. Develops policies, procedures and guidance for the administration of an audit follow up program as required by OMB Circular A-50.

j. Serves as the Department's liaison for financial policy and management control issues with senior management officials in the Central Agencies (OMB, GAO, Treasury, OPM, GSA) and in other U.S. Government agencies. When appropriate, represents the Department for the purpose of influencing statutory or regulatory promulgations or guidance being proposed by the Congress or the Central Agencies.

k. Provides staff support for the Department's principal representative (CFO or DCFO) to outside professional organizations or groups including the CFO Council, CFO Council Operations Group, Management Control Coordination Council, and the Federal Financial Managers Council.

1 FAM 225.2 Domestic Financial Services Directorate (FMP/F/DFS)

(TL:ORG-62; 1-31-95)

a. Directs the Department's domestic and consolidated financial accounting operational program in compliance with applicable Government statutes, policies, and regulations and the Accounting Principles and Standards:

(1) As recommended by the Federal Accounting Standards Advisory Board (FASAB); and

(2) As endorsed by the:

(a) General Accounting Office (GAO)

(b) Office of Management and Budget (OMB)

(c) Department of the Treasury (Treasury), and

(d) Joint Financial Management Improvement Program (JFMIP).

b. Prepares and reports financial and related data to Treasury, OMB, and other regulatory agencies in accordance with applicable laws and regulations. Certifies external financial reports requiring Department certification.

c. Advises the Chief Financial Officer (CFO) and Deputy Chief Financial Officer (DCFO) on all matters relating to the domestic and consolidated accounting and fiscal programs of the Department and other agencies that receive fiscal services from the Department.

d. Monitors the quality of centralized accounting, compensation and fiscal records of the Department and the fiscal data submitted from the bureaus and offices within the Department and from Foreign Service posts.

e. Monitors the financial data flowing into the central financial accounting system from external systems.

f. Performs reconciliation of the financial data.

g. Audits domestic financial activity.

- h. Identifies Anti-Deficiency Act violations.
- i. Prepares management information reports.
- j. Maintains a close working relationship with GAO, Treasury and other regulatory U.S. Government agencies concerning the financial accounting and central reporting activities of the Department.
- k. Participates in the development of policy, procedures, and criteria for recording and reporting the financial effects of the activities for all domestic bureaus, programs, and other agencies receiving fiscal services from the Department domestically.
- l. Provides fiscal services for the Department domestically including the review, audit, and certification of travel, transportation and other payments.
- m. Provides payroll services for U.S. citizen employees of the Department (domestic and abroad) and of other agencies abroad. Also provides pension services for all U.S. citizen Foreign Service employees.
- n. Performs financial accounting and fiscal services for the Department's Working Capital Fund. Prepares financial statements and participates in the planning and management of the fund.
- o. Performs the Department's central cashier function including the receipt, recording, safeguarding and deposit of negotiable instruments.
- p. Prepares annual financial statements for Revolving Funds, Trust Funds, and other commercial activities as required by the Chief Financial Officer's Act of 1990.

1 FAM 225.2-1 Office of Domestic Financial Management and Oversight (FMP/F/DFS/DFMO)

(TL:ORG-62; 1-31-95)

- a. Develops and maintains day-to-day accounting system procedures for the Department in compliance with applicable laws and Department policies and regulations.
- b. Performs user support functions for the central financial management accounting system, including a help desk service for the Department.
- c. Coordinates financial accounting system and accounting procedure training for the Department's employees who are employed in activities which account for the Department's actions.
- d. Prescribes operating procedures for maintenance of day-to-day operations of the central financial accounting system, coordinating necessary

changes with the Office of Financial Systems Requirements and Implementation (FMP/F/FMS/FSRI) and the Office of Fiscal Operations (FMP/F/DFS/FO).

e. Maintains and updates the central financial accounting system reference tables.

f. Reviews the adequacy and practicality of proposed central financial accounting system changes, methods, procedures, and forms and recommends revisions when operating requirements dictate. Coordinates accounting system enhancements.

g. Provides technical assistance and guidance on fiscal operations and procedures to all levels of personnel in the Department and abroad and to representatives of Federal agencies which are furnished administrative support by the Department. Serves as consultant and administrative backstop to all missions abroad in accounting and related matters.

h. Prepares management information reports.

i. Reviews for adequacy from the operational standpoint proposed statutes, policies, and regulatory issuances affecting the Department's worldwide financial management plans and makes necessary recommendations.

j. Plans and conducts the periodic financial and quality assurance review of all segments of the domestic financial activity to ensure that DFS components are adhering to sound financial procedures and practices.

k. Coordinates responses to OIG recommendations for all offices within Domestic Financial Services (DFS) to ensure the comments to the recommendations are responsive.

l. Reviews financial system changes and enhancements to ensure proper management controls are maintained.

m. Oversees and monitors all domestic cashiers' performance.

n. Maintains a close working relationship with the OIG concerning audit, regulatory compliance and oversight matters for DFS.

o. Monitors DFS's performance against prescribed goals and assists managers in establishing performance measurement standards, where necessary.

p. Establishes and monitors DFS-wide management control program to:

(1) Ensure a review of management controls is included in each audit or review; and

(2) Perform periodic vulnerability assessments to assist DFS managers in redefining units where necessary.

q. Oversees daily transaction/fund balances in the domestic financial accounting system to ensure systematic problems are eliminated.

1 FAM 225.2-2 Office of Fiscal Operations (FMP/F/DFS/FO)

(TL:ORG-62; 1-31-95)

a. Participates in the establishment of and implements necessary policy and procedures for the complete range of fiscal activities including voucher claims; processing vendor and employee claims consistent with standards, principles, and policies promulgated under statutory and regulatory authority and incorporating the effective use of sound management controls.

b. Maintains the accounting records of the central financial accounting system consisting of:

(1) A standardized general ledger with control over obligations, expenditures, receivables, property, loans, other assets, income, expense and cost accounting in accordance with Joint Financial Management Improvement Policy (JFMIP) requirements;

(2) Allotment accounting for Washington-held domestic and worldwide accounts;

(3) Working Capital Fund;

(4) Collection of revenue and other receivables due the Department;

(5) Trust and gift accounts;

(6) Suspense accounts; and,

(7) Accounting for and reporting on various ad hoc programs and activities under the purview of the Department.

c. Maintains a close working relationship with appropriate offices in the General Accounting Office (GAO), the General Services Administration (GSA), and Department of Treasury on technical matters relating to the fiscal operations and procedures of the Department of State.

d. Maintains liaison with representatives of the offices of Supply, Transportation and Procurement (A/OPR/ST), the Inspector General (OIG), Information Management and Systems Operations (A/IM/SO), Acquisitions (A/OPR/ACQ), as well as regional and functional bureaus which are the clients of FMP/F/DFS/FO and Domestic Financial Management and Oversight

(FMP/F/DFS/DFMO) in matters relating to the statutes, regulations and procedures governing fiscal operations.

e. Processes payments in the central financial accounting systems in accordance with the statutes, regulations and procedures, including the Prompt Payment Act.

f. Performs the Department's central cashier function including the receipt, recording, safeguarding, and deposit of negotiable instruments.

g. Records in the central financial accounting system payments made to other Federal agencies through the On-line Payment and Collection (OPAC) and Simplified Intragency Billing Collection (SIBAC) systems.

h. Records the data from Treasury confirming disbursement of funds for payments.

i. Processes collections and payments to the Department and deposits the collections with Treasury.

j. Processes financial information which is incorporated into the central financial accounting system from external systems.

k. Provides allotment accounting services for functional and regional bureaus and the central allotments.

l. Performs accounting for the sale of property, recognizing and recording properly the receipt of the proceeds.

m. Provides travel advance accounting services.

n. Prepares external reports.

o. Ensures the integrity of the Standard General Ledger.

p. Performs system assurance analysis for the central financial accounting system and the interfaces from subsidiary systems.

q. Processes accounts receivable due from the public and coordinates the receivable process from employees and Foreign Service retirees who repay their debts through Consolidated American Payroll Processing System (CAPPS) with the Office of Compensation and Pension (FMP/F/DFS/OCP).

r. Processes reimbursements due to and from other Federal agencies.

s. Manages the collection function for receivables.

t. Ensures compliance with the Federal Credit Reform Act and other statutes governing monies owed the Federal Government.

1 FAM 225.2-3 Office of Compensation and Pension (FMP/F/DFS/OCP)

(TL:ORG-62; 1-31-95)

a. Establishes and implements necessary policies and procedures (see 4 FAM 510) for the complete range of payroll and retirement operations, consistent with standards, principles, and policies promulgated under statutory and regulatory authority, including the establishment and effective use of sound management controls.

b. Administers the worldwide Consolidated American Payroll operations which provides payrolling services for all Department U.S. citizen employees worldwide and U.S. citizen employees of various agencies assigned abroad. Ensures the accurate and timely payment of salaries, allowance related entitlements, garnishments, and allotments. Responsible for certification of worldwide payroll payments. Administers the accounting and collection processes associated with the Consolidated American Payroll operations.

c. Administers the operations of the Foreign Service Retirement and Disability System (FSRDS) and the Foreign Service Pension System (FSPS) for active and retired personnel of the Department, Agency for International Development (AID), U.S. Information Agency (USIA), and other agency participants covered legislatively under the Foreign Service Act (as amended). Consults with and advises individual annuitants on retirement matters and entitlements.

d. Maintains individual fiscal records for Departmental employees. Ensures the accurate and timely transfer of Civil Service Retirement Fund accountability to the Office of Personnel Management.

e. Reviews for adequacy, and from an operational standpoint, proposed statutes, policies, and regulatory issuances affecting the Department's administration of the worldwide payroll and retirement program and makes the necessary recommendations.

f. Serves as the Department's technical advisor at meetings and conferences with other organizations within the Department, and with other U.S. Government agencies, on payroll and retirement policy and operating procedures.

g. Serves as the chief advisor and consultant to the Director, Domestic Financial Services, clarifying the statutes and regulations governing worldwide payroll and retirement operations and procedures.

h. Provides technical assistance and guidance on payroll and retire-ent operations and procedures to all levels of personnel in the Department and

abroad and to representatives of Federal agencies which are furnished administrative support by the Department.

1 FAM 225.3 International Financial Services Directorate (FMP/F/IFS)

(TL:ORG-62; 1-31-95)

a. Plans, implements, manages, coordinates, and oversees the financial operations of the Department to support the mission of the Department abroad, in compliance with applicable laws and regulations, and as may be necessitated by the exigencies of world events.

b. Manages the disbursing aspects, both domestic and abroad, of financial operations involving the appointment, monitoring, reporting and related activities of the Department's disbursing officers, cashiers, subcashiers, certifying officers, and banking institutions.

c. Advises the Chief Financial Officer (CFO) and the Deputy Chief Financial Officer (DCFO) on all matters related to financial operations and disbursing activities abroad. Interprets and implements Office of Management and Budget (OMB), Treasury, and General Accounting Office (GAO) requirements for financial activities abroad.

d. Manages broad framework of policies, regulations, and procedures related to financial operations abroad and their oversight.

e. Provides leadership and guidance for the development of specific policies, procedures and criteria for accounting, disbursing, and fiscal operations administered by the Department for its own activities and those of other Federal agencies abroad.

f. Directs the financial operational activities of the Financial Service Centers (FSCs) in Bangkok, Mexico City, Paris, and Charleston, South Carolina. These financial operational activities are described under the FSCs (see 1 FAM 226). This office:

(1) Ensures that all financial operations abroad are carried out effectively and efficiently, and in accordance with applicable legal and regulatory requirements established by the Department, OMB, GAO, Treasury, and Congress.

(2) Ensures the proper level of administrative support to the FSCs and continuing evaluation of the effectiveness of the Centers with respect to financial, administrative and management operations.

g. In consultation with the Deputy Chief Financial Officer and in coordination with the Director of Financial Management Services

(FMP/F/FMS), assists in designing and implementing integrated financial management systems.

h. Coordinates and oversees the Department's financial operations abroad by, but not limited to:

(1) Establishing and maintaining liaison with the numerous Federal agencies served abroad;

(2) Ensuring the adequacy of financial accounting systems;

(3) Developing and revising operational procedures;

(4) Providing day-to-day accounts maintenance, fiscal reporting, and related resource management services;

(5) Developing the programs, standards, and reporting requirements for financial operations; and directing audits to provide assurance of the quality of such operations; and,

(6) Ensuring that the foreign components prepare budget, accounting and other resource management reports in a timely and accurate manner for the Department and other Federal agencies.

i. Evaluates and provides leadership for improving the computer support for the Department's international financial operations.

j. Develops, documents, and interprets Department policy relating to:

(1) The worldwide purchase, administration, and use of foreign currencies;

(2) The collection, management, and deposit of foreign currencies resulting from transactions with foreign governments, vendors, and individuals;

(3) The disbursement of both U.S. and foreign currencies; and

(4) Relationships with commercial banking institutions domestically and abroad.

k. Provides day-to-day guidance to U.S. Embassies, United States Disbursing Officers, domestic offices of the Department, and other U.S. Government departments and agencies in the use and accountability of foreign currencies.

l. Interprets, with the assistance of the Legal Adviser (L), statutes, regulations, policies and international agreements relating to foreign currency and currency exchange.

1 FAM 225.3-1 Office of Overseas Financial Management and Oversight (FMP/F/IFS/OFMO)

(TL:ORG-62; 1-31-95)

a. Designs, establishes, administers, and maintains an integrated financial operations coordination system for all Department of State locations outside the United States, which enables essential oversight of the full usage of complex, diverse and broad scope financial services including:

- (1) Fiscal services;
- (2) Resource utilization;
- (3) Accounting;
- (4) Pay management;
- (5) Financial reporting;
- (6) Financial analyses; and,
- (7) Internal audit/quality assurance.

b. Ensures that these financial operations accomplish the following goals and objectives:

(1) Meet the fiscal requirements of the Congress, OMB, GAO, and Treasury;

(2) Promotes full, proper and timely accountability of all U.S. Government financial assets budgeted for, disbursed/received, reported on, and otherwise financially managed;

(3) Enables the full disclosure of the financial aspects of U.S. Government programs and operations for which Department provides financial operational services abroad, specifically:

(a) Department's programs worldwide; and

(b) Programs of other Foreign Affairs agencies and of other U.S. Government agencies abroad.

NOTE: These financial services are administered through Department's domestic financial operations apparatus, and serve the Department's foreign operations through the:

- (1) Financial Service Centers (FSCs);
- (2) Financial Management Centers (FMCs);

(3) Post Budget and Fiscal (B&F) offices; plus

(4) Numerous smaller fiscal operations.

c. Chairs the Committee for Overseas Financial Operations Coordination. This Committee devises the broad program plans and general procedures within which specific financial operations processes abroad (such as cash management and pay and compensation) will be developed, implemented, administered and monitored, taking into account the broad Financial Management policy and systems framework of the Department's Chief Financial Officer and the requirements of such oversight agencies as the GAO and Treasury.

(A) Banking and Cash Management Division (FMP/F/IFS/OFMO/BCM)

a. Maintains close and continuing professional contacts with all of the numerous U.S. Government agencies abroad that receive financial services from the Department.

b. Maintains a close working relationship with financial management agencies such as OMB, GAO, and Treasury, and with members and staffs of Congress to facilitate the expeditious resolution of problems affecting the efficiency of day-to-day financial operations and quality assurance objectives.

c. Develops plans and procedures governing reimbursements to be obtained from other U.S. Government agencies for the Department's joint administrative services performed for agencies at posts abroad; collaborates with relevant other segments of the Department's administrative services organizations in the development of these reimbursement structures.

d. Designates, ensures training and development, provides advice and assistance to the agency's cashiers, subcashiers, and certifying officers involved in disbursing/cash management operations; coordinates the designation of U.S. Disbursing Officers (USDOs) with the Department of Treasury, ensuring that properly qualified people are nominated.

e. Provides staff support to the Committee of Inquiry into Fiscal Irregularities (see 3 FAM).

(B) Overseas Financial Operations Oversight and Coordination Division (FMP/F/IFS/OFMO/FOC)

a. Develops and implements approved procedures governing oversight of financial operations abroad for the disbursement of U.S. Government funds by U.S. Disbursing Officers (USDOs), the establishment of accountability control mechanisms, the maintenance of accounts and related accountability controls, the administration of a required reporting system, and the implementation and administration of related "checks and balances" essential

to ensuring the proper disbursement of, full accountability for and timely reporting on all funds disbursed abroad for the Department and all U.S. Government agencies at foreign service posts abroad by USDOs and their designated cashiers.

b. Administers the ongoing oversight of the Department's day-to-day financial operations at foreign service posts abroad, a process involving:

(1) Continuing contacts with the FSCs, the regional offices, posts, and other fiscal entities;

(2) Providing coordination and assistance;

(3) Interpreting operational policy and procedures;

(4) Evaluating and solving serious operational problems, and ensuring proper budgeting for and disbursement of funds;

(5) Ensuring the timely adherence to fiscal reporting schedules;

(6) Maintaining complete and reliable accounting systems; and

(7) Overseeing and monitoring cashier performance at posts.

c. Is responsible for the installation of enhancements to the financial systems at posts abroad after beta-test approval by staff representatives of appropriate FMP offices responsible for setting configuration management; coordinates installation of new and revised software with the FSCs, posts and serviced agencies; provides support for the computer systems which support the Department's financial activities abroad through a 24 hour, 7 day per week "Help Desk"; coordinates responses to inquiries to the Help Desk with appropriate offices within FMP and the Department to ensure that responses are timely and complete.

d. Plans and conducts the systematic financial reviews and analyses of financial operations abroad: financial records, financial reporting practices, cash management operations, accounting operations, internal controls, computer support services, and other related financial processes and "products," with the view toward ensuring:

(1) That financial systems completely and properly reflect the true status of all financial assets;

(2) That management controls are adequate to mandated needs for full accountability and absolute fiscal reliability at all times; and

(3) That the entire financial services process abroad adheres to professional accounting standards, principles and requirements; to the particular needs of the Department and other agencies, and to accountability

requirements of higher levels of U.S. Government Financial Management authority (e.g., OMB, GAO, Treasury, and the Congress). Identifies:

- (a) Specific financial systems problems requiring procedural changes;
 - (b) Financial management problems necessitating intervention;
 - (c) Fiscal irregularities requiring intervention and resolution at the Department level; and
 - (d) Systemic shortcomings in financial controls pointing to needs for operational changes with the goal of ensuring a 90% to 95% confidence level of financial accountability accuracy.
- e. Plans and conducts other quality assurance measures designed to augment, support and verify the financial audit process, including compliance reviews, statistical samplings of specific segments of financial data and operational reviews of specific financial operations. These are designed to certify/attest to the statistical soundness of overall financial operations and to ensure that functional operations are, in general, adequate to the needs of financial management systems in place, enabling a 90% to 95% confidence level in the accuracy.

1 FAM 226 FINANCIAL SERVICE CENTERS (FSCs)

(TL:ORG-62; 1-31-95)

- a. There are four (4) Financial Service Centers (FSCs):
 - (1) FSC-Bangkok, Thailand;
 - (2) FSC-Mexico City, Mexico;
 - (3) FSC-Paris, France; and
 - (4) FSC-Charleston, South Carolina.
- b. The FSCs serve as extensions of the Bureau of Finance and Management Policy (FMP), providing financial guidance and services to the Department's operations and other agencies abroad that receive administrative services from the Department in accordance with the statutes, regulations, policies and procedures promulgated by Congress, the central Federal agencies, and FMP.
- c. Provide accounting services by:
 - (1) Maintaining the accounting database for all serviced posts;

(2) Reviewing, editing and correcting data to allotment, obligation, and disbursement records;

(3) Assisting posts to make other corrections;

(4) Reconciling payroll vouchers with accounting reports;

(5) Processing vouchers for serviced agencies abroad;

(6) Entering collections and cancelled checks into the accounting system for serviced posts;

(7) Providing accounting policy and procedural guidance to posts; and

(8) Communicating with FMP and the posts as necessary.

d. Provide disbursing services for each region including:

(1) Preparing and distributing U.S. dollar and foreign currency checks for posts that receive disbursing services;

(2) Disbursing payroll to all Foreign Service national (FSN) (see 3 FAM) employees within the region;

(3) Replenishing cash advances and monitoring activities of all Department and other agency cashiers;

(4) Training and providing guidance to cashiers;

(5) Serving as the accountable officer over Post cashiers;

(6) Maintaining and balancing foreign currency bank accounts where necessary; purchasing foreign currencies;

(7) Processing stop payment requests and debit vouchers;

(8) Distributing disbursing reports and tapes to posts, serviced agencies and central FMP; and

(9) Providing oversight and guidance to serviced posts and agencies on disbursing and cashiering matters.

e. Manage U.S. citizen payroll activities abroad by:

(1) Updating time and attendance information for all U.S. citizen employees to the Consolidated American Payroll Processing System (CAPPS) including various types of leave and adjustments to pay;

(2) Calculating and processing allowances, taxes, advances of pay, health benefits, and other deductions based on submissions from all regional posts;

(3) Maintaining Authority to Update for pay records of transferring personnel;

(4) Distributing CAPPs reports to serviced posts and Department users.

f. Manage the FSN compensation function by:

(1) Inputting time and attendance, adjustments and corrections;

(2) Calculating and processing social security contributions, taxes, allotments of pay and other deductions;

(3) Processing retroactive promotions and Periodic Step Increases (PSIs);

(4) Maintaining leave balances in accordance with local leave plans;

(5) Processing personal income tax and Federal Insurance Compensation Act (FICA) withholding amounts for FSN permanent resident aliens (sometimes referred to as green card holders);

(6) Maintaining retirement records for FSNs enrolled in the U.S. Civil Service Retirement System;

(7) Distributing biweekly salary and allotment checks, earnings and leave statements and FSN payroll reports to posts; and

(8) Communicating with posts, the Office of Foreign Service National Personnel (PER/FSN), and the Office of Compensation and Pension (FMP/F/DFS/OCP) on FSN payroll matters.

g. Provide computer operations and support services.

h. Design, develop, and/or maintain computer applications software; identify additional needs for computerized applications; maintain accounting and FSN payroll databases, including modifications to data elements, pay plans, and user libraries. In coordination with FMP, participate in the installation of new hardware and software, and provide programming and technical support to systems and telecommunication links. Develop and maintain a systems security program to safeguard the systems and data entrusted to the FSCs; establish and maintain an effective Disaster Recovery Plan; maintain user IDs and systems access; conduct investigations of internal security breaches.

i. Manage the resources allotted each FSC in accordance with FMP policies, preparing budgets, financial plans and other management reports accounting for the use of those resources. Process payments for services, supplies, travel and allowances to the U.S. citizen employees for the FSCs.

1 FAM 227 THROUGH 229 UNASSIGNED

1 FAM 221 Exhibit 221.3

BUREAU OF FINANCE AND MANAGEMENT POLICY (FMP)

(TL:ORG-67; 2-20-97)

